

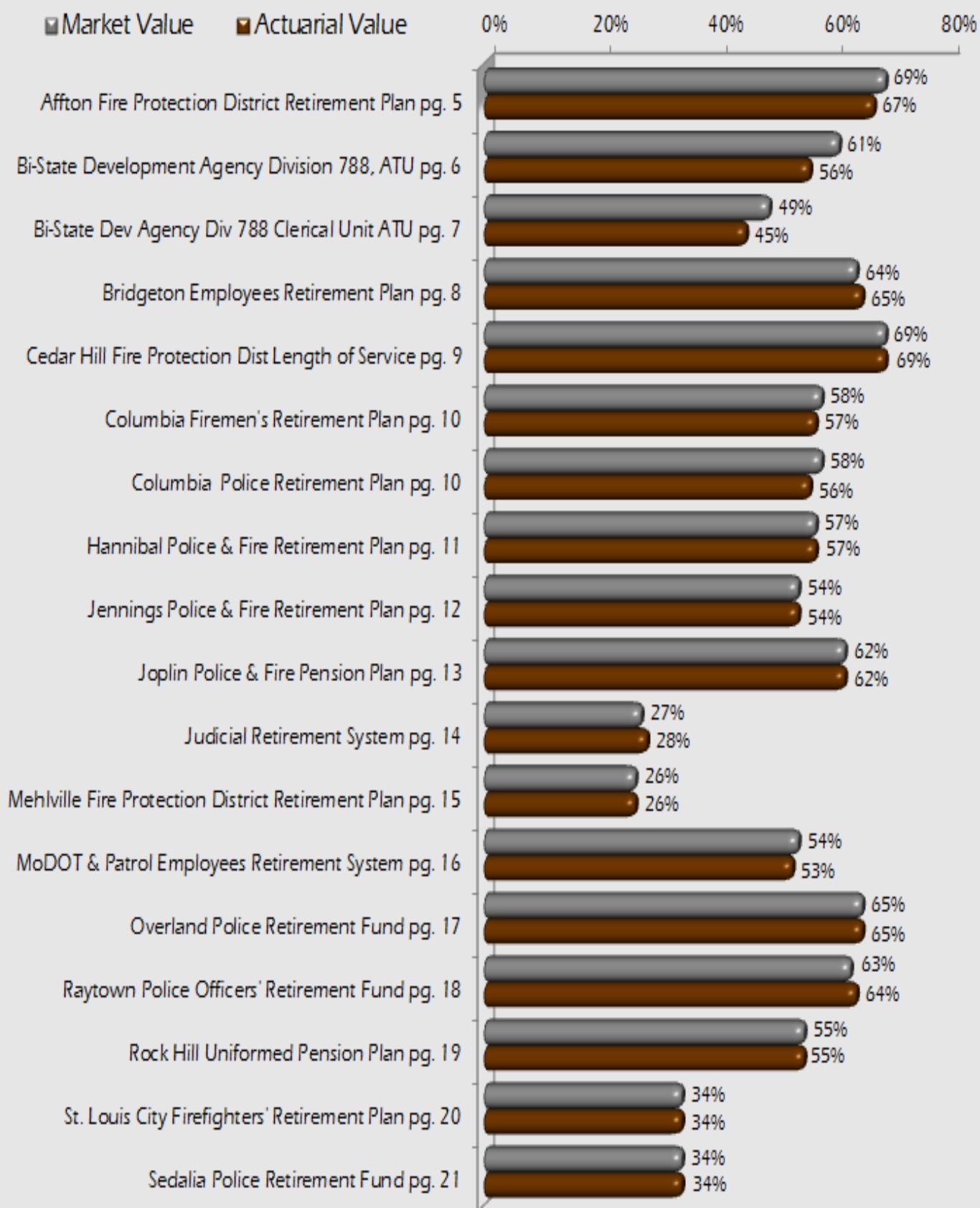


JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

WATCH LIST

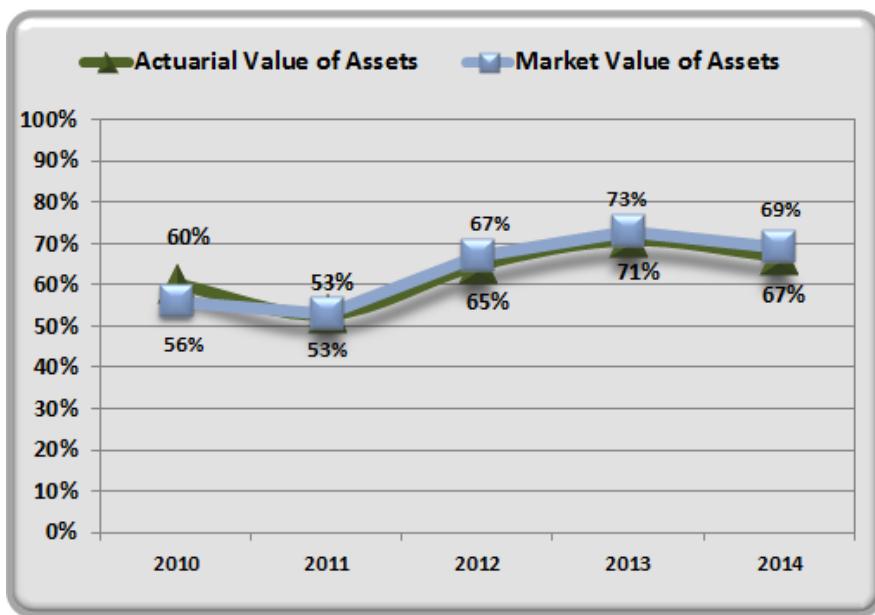
2015

FUNDED RATIO



AFFTON FIRE PROTECTION DISTRICT RETIREMENT PLAN

- Rate of return on investments equaled 6.29% (Market) vs. 6.5% assumed.
- Assets are valued at market value except for 2008 loss which was smoothed over 5 years.
- Actuarial method was changed to Aggregate. Under Aggregate method, by definition there is no unfunded accrued liability.
- Plan provisions were modified effective 01/01/13. The benefit multiplier was changed from 2.1667% to 1.7333%. Accrued benefits are not modified; however, new and prospective service will be at new provision levels. Lump sum benefit payments were also ceased.
- Employee contributions were implemented in 2010 at 4% and then 7% thereafter.
- Extra payments above the dedicated tax levy proceeds have been contributed to the fund since 2006. In 2012, the employer contribution exceeded the ARC.
- Mortality tables were updated since the prior valuation, which resulted in increased plan liabilities and annual costs.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|------|---------------------------------|----------------------------|----------------------------|
| 2014 | \$290,743 | \$300,403 | 103% |
| 2013 | \$314,501 | \$298,055 | 96% |
| 2012 | \$437,922 | \$1,308,443 | 299% |
| 2011 | \$395,863 | \$286,615 | 72% |
| 2010 | \$384,986 | \$284,870 | 74% |
| 2009 | \$583,257 | \$326,225 | 56% |

As of 1/1/15

Market Value: \$7,497,831
 Actuarial Value: \$7,295,525
 AAL: \$10,865,651

MEMBERSHIP:
 Active: 38 Inactive: 28

Normal Retirement Formula:
 52% (from 65%) of compensation
 Reduced for less than 30 years
Supplemental Benefit:
 \$500 monthly to age 62 if employed on 01/01/09 and have at least 30 yrs service as of 12/31/09

Normal Retirement Benefits:
 Age 60 with 5 years of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:

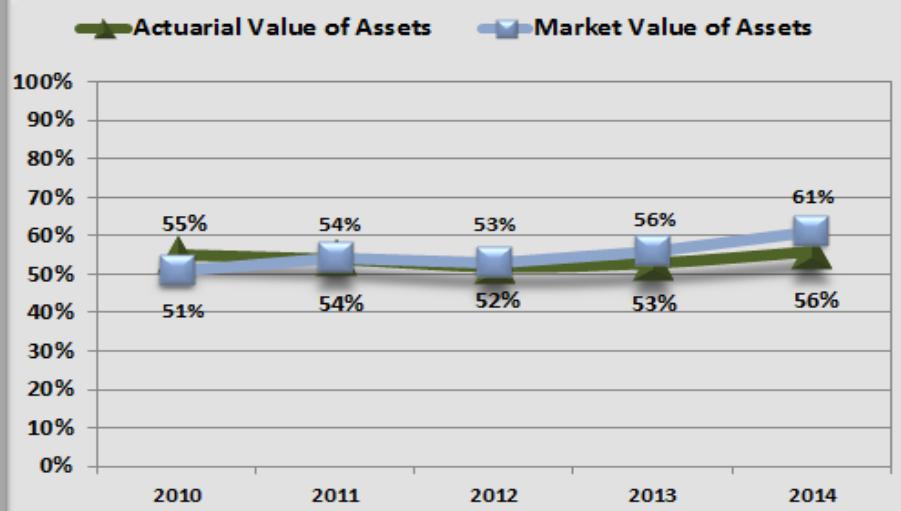
Interest: 6.5% **Salary:** 3.5%

BI-STATE DEVELOPMENT AGENCY

DIVISION 788, A.T.U.

- Rate of return on investments equaled 16.6% (Market) and 14.5% (Actuarial) vs. 7.25% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2003.
- The weekly recommended contribution for plan year 14/15 equals \$153.54 per active participant.
- An additional 5 year weekly contribution of \$8.87 was calculated for the plan to achieve a 60% funded ratio.
- Employees contribute approx. 30% of weekly contributions.
- The Employer continues to meet the full ARC & the total recommended contributions were received in Plan Year 2014.
- A Resolution has been adopted to merge the Transit and Clerical Pension Plans effective April 1, 2015. The weekly recommended contribution rate for the merged plan is \$167.82, which includes the additional weekly contribution of \$8.87.
- This plan was included on the State Auditor's "watch list" in 2014.*

| Div 788, ATU Employer & Employee Plan Contributions | | | |
|---|--------------------------|---------------------------|---------------|
| Plan Year | Recmd Total Contribution | Actual Total Contribution | % Contributed |
| 13/14 | \$ 10,259,490 | \$ 12,131,991 | 118.25% |
| 12/13 | \$ 10,320,463 | \$ 10,954,684 | 106.15% |
| 11/12 | \$ 9,659,870 | \$ 9,250,099 | 95.76% |
| 10/11 | \$ 8,825,103 | \$ 7,501,929 | 85.01% |
| 09/10 | \$ 7,416,877 | \$ 6,841,491 | 92.24% |
| 08/09 | \$ 6,406,578 | \$ 6,908,808 | 107.84% |



| | <u>EMPLOYER RECOMMENDED CONTRIBUTION</u> | <u>EMPLOYER ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------|--|-------------------------------------|----------------------------|
| 13/14 | \$8,764,558 | \$8,764,558 | 100% |
| 12/13 | \$7,830,531 | \$7,830,531 | 100% |
| 11/12 | \$6,904,988 | \$6,904,988 | 100% |
| 10/11 | \$5,393,748 | \$5,393,748 | 100% |
| 09/10 | \$4,953,503 | \$4,953,503 | 100% |

As of 4/1/14

Market Value: \$ 112,554,785
 Actuarial Value: \$ 104,406,512
 AAL: \$ 185,059,221

MEMBERSHIP:
 Active: 1,285 Inactive: 1,090

BENEFITS:
Normal Retirement Formula:
 \$40 times years of service for those retiring with less than 25 years of service
 \$55 times years of service for those retiring with 25 or more years of service

Normal Retirement Benefits:
 25 years of service, age 65, or age 55 with 20 years of service

Social Security Coverage: Yes

COLA: Ad Hoc COLA

ACTUARIAL ASSUMPTIONS:
 Interest: 7.25%

BI-STATE DEVELOPMENT AGENCY

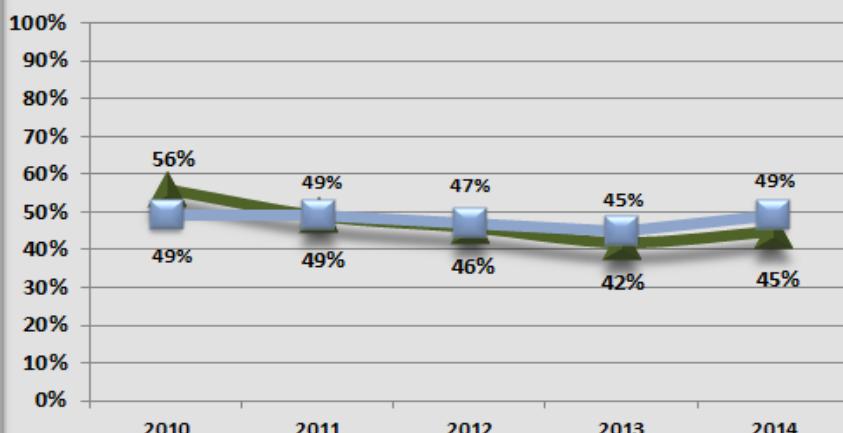
DIVISION 788 CLERICAL UNIT ATU

- Rate of return on investments equaled 18.4% (Market) and 16.3% (Actuarial) vs. 7.25% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2004.
- The weekly recommended contribution for plan year 14/15 equals \$295.00 per active participant (up from \$286.32).
- Employees contribute approximately 32% of the weekly contributions.
- The Employer continues to meet the full ARC; however, the total contribution has not been met since plan year 06/07.
- A Resolution has been adopted to merge the Transit and Clerical Pension Plans effective April 1, 2015. The weekly recommended contribution rate for the merged plan is \$167.82, which includes the additional weekly contribution of \$8.87.

Div 788 Clerical Unit, Employer & Employee Plan Contributions

| Plan Year | Recmd Total Contribution | Actual Total Contribution | % Contributed |
|-----------|--------------------------|---------------------------|---------------|
| 13/14 | \$ 759,325 | \$ 712,201 | 93.79% |
| 12/13 | \$ 703,031 | \$ 479,875 | 68.26% |
| 11/12 | \$ 621,627 | \$ 509,846 | 82.02% |
| 10/11 | \$ 518,448 | \$ 347,392 | 67.01% |
| 09/10 | \$ 457,771 | \$ 322,525 | 70.46% |
| 08/09 | \$ 371,521 | \$ 312,519 | 84.12% |
| 07/08 | \$ 343,278 | \$ 323,074 | 94.11% |

Actuarial Value of Assets Market Value of Assets



As of 4/1/14

Market Value: \$ 5,745,346
Actuarial Value: \$ 5,263,844
AAL: \$11,687,851

MEMBERSHIP:
Active: 49 **Inactive:** 73

BENEFITS:
Normal Retirement Formula:
\$40 times years of service for those retiring with less than 25 years of service;
\$55 times years of service for those retiring with 25 or more years of service

Normal Retirement Benefits:
25 years of service, or age 65 with 10 years of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.25%

| | EMPLOYER RECOMMENDED CONTRIBUTION | EMPLOYER ACTUAL CONTRIBUTION | PERCENT CONTRIBUTED |
|--------------|--|---|--------------------------------|
| 13/14 | \$485,233 | \$485,233 | 100% |
| 12/13 | \$326,673 | \$326,673 | 100% |
| 11/12 | \$402,107 | \$402,107 | 100% |
| 10/11 | \$241,797 | \$241,797 | 100% |
| 09/10 | \$223,550 | \$223,550 | 100% |

Michael Ruff

From: Coley, Maryanne N. <mncoley@bistatedev.org>
Sent: Thursday, November 12, 2015 11:01 AM
To: Michael Ruff
Cc: Vago, Mark G.
Subject: JCPERS Information

Hi Michael,

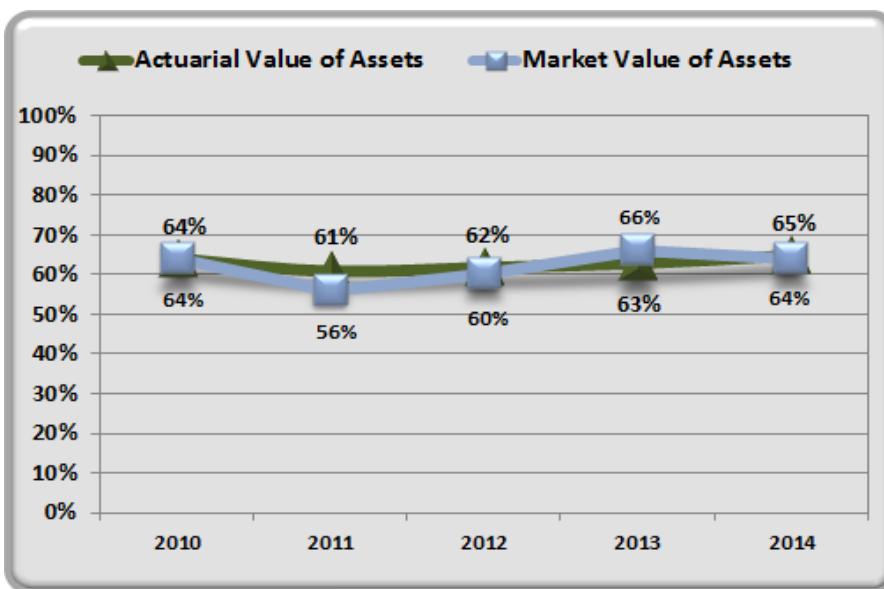
At the request of Mark Vago, I have reviewed the pension summary information for the Bi-State Development Agency Division 788 A.T.U. and Clerical Unit ATU plans, and the information is correct. Please note that the two plans are now merged, so going forward there will be one summary. Thank you.

Maryanne N. Coley
Pension & Insurance Manager
211 North Broadway Suite 700
St. Louis, MO 63102
Phone 314-982-1473
Fax 314-335-3431 (new 6/15; please note change)

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BRIDGETON EMPLOYEES RETIREMENT PLAN

- Rate of return on investments equaled 6.4% (Market) and 11.4% (Actuarial) vs. assumed 7.5%
- Investment gains/losses are smoothed over a 3 year period.
- Open 30 year period for amortization of unfunded liabilities
- Actuary notes the reason for the increase in annual cost, as a percentage of payroll, results from the decline in payroll and *“that actual City contributions fell short of target contributions.”*
- General City sales tax of 1/4 of 1% was passed by voters in August 2013.
- Employees do not make a payroll contribution to this plan.
- The Employer has not met the ARC since 2007.
- This plan was frozen to new employees as of January 1, 2012*
- The City has implemented a new matching component to the City’s 457 deferred compensation plan for employees hired after January 1, 2012.*
- This plan was included on the State Auditor’s “watch list” in 2014.*



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|------|-------------------------------------|--------------------------------|--------------------------------|
| 2015 | \$1,750,340 | N/A | - |
| 2014 | \$1,740,187 | \$1,000,000 | 57% |
| 2013 | \$1,767,398 | \$1,000,000 | 57% |
| 2012 | \$1,745,095 | \$1,000,000 | 57% |
| 2011 | \$1,529,511 | \$1,000,000 | 65% |
| 2010 | \$1,400,936 | \$900,000 | 64% |

As of 12/31/14

Market Value: \$26,327,627
Actuarial Value: \$26,612,809
AAL: \$40,957,661

MEMBERSHIP:
Active: 113 Inactive: 141

BENEFITS:
Normal Retirement Formula:
2% of compensation times
years of service

Normal Retirement Benefits:
Age 60 with 5 years of service

Social Security Coverage:
Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% Salary: 4%

Michael Ruff

From: Dennis Rainey <DRainey@bridgetonmo.com>
Sent: Wednesday, November 4, 2015 4:16 PM
To: Michael Ruff
Cc: Donald Hood
Subject: RE: JCPER Plan Information

Mr. Ruff:

We appreciate the opportunity to respond.

The City's funded ratio has increased in each of the last three years. We believe this trend will continue.

Per the last Actuarial report the funded percentage is at 80%.

In April, 2015 the City of Bridgeton passed an increase in the Hotel Tax which will generate an additional \$950,000 per year into the General Fund. City administration has made a commitment to increase the annual contributions by \$200,000 per year until full target contributions are reached. Therefore, 2016's contribution is budgeted to increase from \$1M to \$1.2M. \$1.4M in 2017, \$1.6M in 2018, etc.

Also, over time the plan freeze to new hires will slowly decrease the liability.

The City of Bridgeton is committed to achieving full funded status and the trend appears to be moving in the right direction.

Thank you for your consideration.

Sincerely,

Dennis Rainey
Finance Officer

From: Michael Ruff [mailto:mruff@senate.mo.gov]
Sent: Wednesday, November 04, 2015 3:29 PM
To: Dennis Rainey; Donald Hood
Subject: JCPER Plan Information

Dear Mr. Rainey and Chief Hood:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Bridgeton Employees Retirement Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

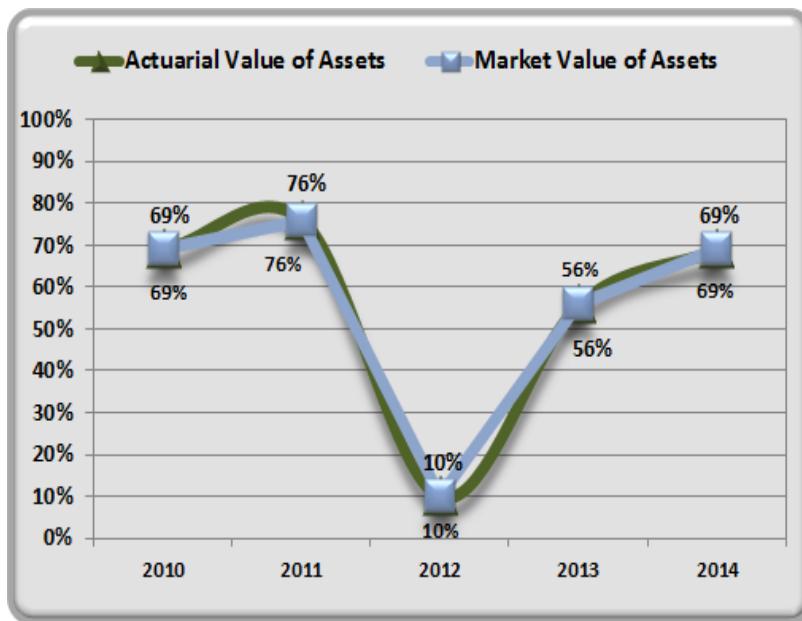
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff
Executive Director

CEDAR HILL FPD LENGTH OF SERVICE AWARDS PROGRAM

- ↳ This plan provides a pension benefit for volunteer members of the fire protection district.
- ↳ Provides \$15 per month per year of service with a maximum monthly benefit of \$450.
- ↳ Normal form of payment is life annuity guaranteed for 10 years.
- ↳ Benefit payments in the 2012 exceeded \$140,000 which greatly depleted plan assets.
- ↳ Active members do not make a monetary contribution to this plan.
- ↳ The District has exceeded the ARC since 2011.
- ↳ The plan does not smooth investment gains/losses.
- ↳ Plan closed to new members as of 12/01/14.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|------|---------------------------------|----------------------------|----------------------------|
| 2015 | \$21,216 | \$25,272 | 119% |
| 2014 | \$16,640 | \$28,478 | 171% |
| 2013 | \$18,571 | \$28,478 | 153% |
| 2012 | \$18,571 | \$28,374 | 152% |
| 2011 | \$27,116 | \$27,342 | 101% |
| 2010 | \$26,310 | \$22,825 | 87% |

AS OF 12/01/14

Market Value: \$ 93,806
 Actuarial Value: \$ 93,806
 AAL: \$ 134,529

MEMBERSHIP:
 Active: 30 Inactive: 21

BENEFITS:
Normal Retirement Formula:
 \$15 per month times years of service
 Maximum: \$450 per month
 Life annuity guaranteed for 10 years
Normal Retirement Benefits:
 Age 65 with 5 years of service

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
 Interest: 4.75%

Michael Ruff

From: Terry Soer <chfpd@cedarhillfire.com>
Sent: Thursday, November 5, 2015 9:22 AM
To: Michael Ruff
Cc: 'Greg Spinner'
Subject: RE: JCPER Plan Information

Good Morning Michael,

I know that our reports from this year are showing a market value at 70% or more and we have not taken out any annuities on members that have left our organization so that the funding balances could increase. I would hope that this could be sent to the Committee so that we do not receive negative comments as has happened in the past on this plan. The district secured annuities on some people in 2012 which brought the fund balance lower and caused some concerns we were informed. We have tried to correct that problem. I am not sure I understand some of the terminology in the comments such as the District exceeded the "ARC". Also I do not understand "smooth investment gains/losses". We want to be sure that things are going in the right direction. Thanks.

Terry

From: Michael Ruff [mailto:mruff@senate.mo.gov]
Sent: Wednesday, November 04, 2015 3:33 PM
To: Terry Soer (chfpd@cedarhillfire.com) <chfpd@cedarhillfire.com>
Subject: JCPER Plan Information

Dear Chief Soer:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Cedar Hill Fire Protection District Length of Service Awards Program that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

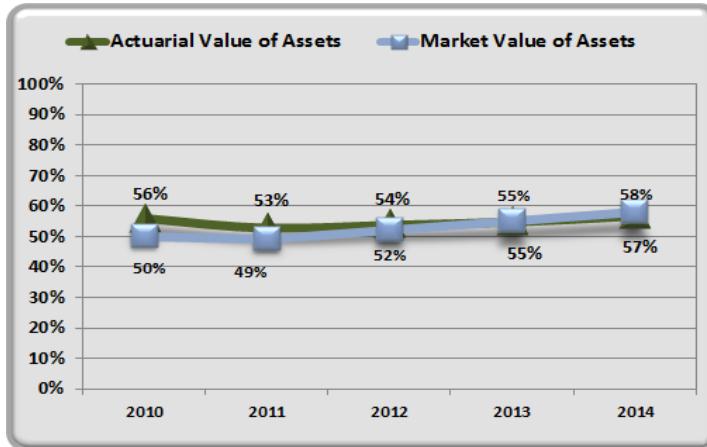
Sincerely,

Michael Ruff
Executive Director
Joint Committee on Public Employee Retirement
State Capitol, Room 219-A
Jefferson City, MO 65101

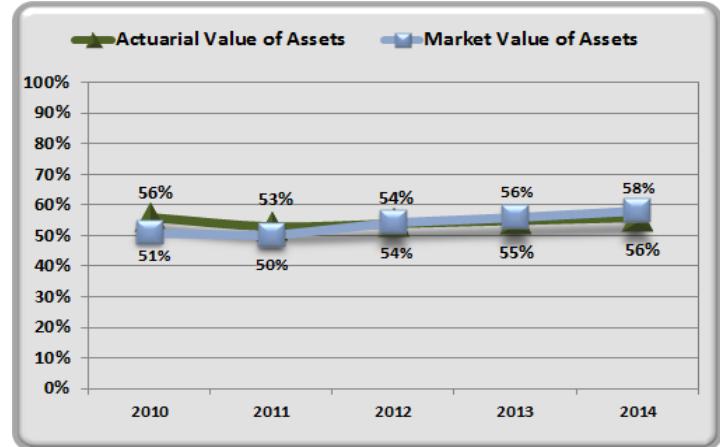
COLUMBIA FIREMEN & POLICE RETIREMENT SYSTEMS

- The Fire & Police plans are commingled for investment purposes. Rate of return on investments equaled 8.5% (Market) & 8.0% (Actuarial) vs. 7.5% assumed. Investment gains/losses are smoothed over a 4 year period.
- Unfunded liabilities amortized over a 25 year closed period.
- A new tier of provisions were passed for employees hired on or after October 1, 2012. These provisions include, but are not limited to, modified age and service requirements for retirement eligibility, modified benefit multiplier with no retiree COLA, fire member contribution reduced to 4% of pay, and automatic survivor benefit replaced with a survivor option at retirement with member's reduced benefit. New tier provisions estimated to produce in excess of \$40 million savings over 20 years.
- Fire employees contribute 16.32% of pay (4% - for those hired on/after 10/01/12) and do not participate in Social Security.
- Police employees contribute between 7.45% & 8.35% of pay (4.5% - for those hired on/after 10/01/12) & do participate in Social Security.
- The employer continues to meet the ARC.
- These plans were included on the State Auditor's watch list in 2014.*

FIREMEN'S RETIREMENT FUND



POLICE RETIREMENT SYSTEM



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|--------------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$4,560,805 est. | n/a | n/a |
| 13/14 | \$4,674,412 | \$4,674,412 | 100% |
| 12/13 | \$4,382,296 | \$4,382,296 | 100% |
| 11/12 | \$3,995,869 | \$3,995,869 | 100% |
| 10/11 | \$3,598,322 | \$3,598,322 | 100% |
| 09/10 | \$3,330,409 | \$3,330,409 | 100% |

| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|--------------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$3,325,450 est. | n/a | n/a |
| 13/14 | \$3,245,420 | \$3,245,420 | 100% |
| 12/13 | \$3,243,455 | \$3,243,455 | 100% |
| 11/12 | \$3,153,367 | \$3,153,367 | 100% |
| 10/11 | \$3,033,164 | \$3,033,164 | 100% |
| 09/10 | \$2,693,152 | \$2,693,152 | 100% |

As of 09/30/14

Market Value: \$ 67,264,288 Membership: _____
 Actuarial Value: \$ 65,440,925 Active: 134
 AAL: \$ 115,552,694 Inactive: 143

Normal Retirement Formula:

3.5% of compensation for first 20 years + 2% for next 5 years
 Max: 80% of compensation; 2% of compensation < 20 years

2.5% of compensation x yrs service—No max (new hires)

Normal Retirement Benefits: COLA:

Age 65 or 20 years of service Annual Amount Max: 2%

Age 55 w/ 5 yrs service or Rule of 80 (new hires)

ACTUARIAL ASSUMPTIONS:

Interest: 7.5% Salary: 3.5%

As of 09/30/14

Market Value: \$ 45,119,886 Membership: _____
 Actuarial Value: \$ 43,868,797 Active: 148
 AAL: \$ 77,970,501 Inactive: 164

Normal Retirement Formula:

3.5% of compensation for first 20 years + 2% for next 5 years
 Maximum: 70% of compensation

2.0% of compensation up to 25 years + 1.5% each year over 25 years Max—57.5% of compensation (new hires)

Normal Retirement Benefits: COLA:

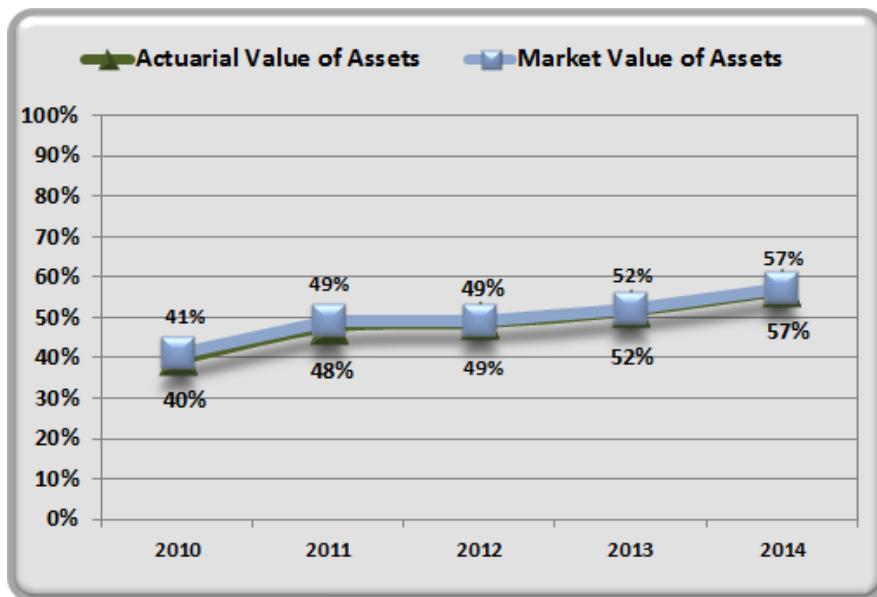
20 years of service, or age 65 Annual Amount Max: 0.6%

25 years of service or age 65 (new hires)

ACTUARIAL ASSUMPTIONS: Interest: 7.5% Salary: 3.5%

HANNIBAL POLICE & FIRE RETIREMENT PLAN

- ↳ Rate of return on investments equaled 5.4% (Market) vs. 7.5% assumed.
- ↳ The plan does not smooth investment gains/losses.
- ↳ Open 20 year period for amortization of unfunded liabilities.
- ↳ Plan members do not participate in Social Security.
- ↳ Actuary notes "*In recent years the city has been contributing less than the actuarial recommended contribution. The city has contributed more than recommended contribution in the last three years. Asset gains have helped increase the funded status. The new policy, implemented in 2012, increasing employee contributions while not decreasing the city's contribution rate will also help the Plan in its recovery. However, any pattern of less than adequate funding could decrease the funded status of the Plan to a point from which it would be very difficult to recover.*"
- ↳ Plan modifications effective 7/1/11 include: Increasing mandatory employee contributions from 9.5% of pay to 12%, 11.4% annual minimum City contribution (plus tax revenue) will be modified to provide that the City's contribution will not be reduced unless the plan is determined to be at least 80% funded.
- ↳ Employee contribution of 12% of pay effective with plan year 2011 (from 9.5%).
- ↳ Effective July 1, 2016, the employee contribution rate will increase by one-half percent annually until it reaches 15% on July 1, 2021.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|--------------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$984,663 | n/a | - |
| 13/14 | \$994,809 | \$1,214,217 | 122% |
| 12/13 | \$1,010,251 | \$1,212,249 | 120% |
| 11/12 | \$921,124 | \$1,152,165 | 125% |
| 10/11 | \$1,179,620 | \$1,051,162 | 89% |

As of 6/30/14

Market Value: \$15,116,225
 Actuarial Value: \$15,099,174
 AAL: \$26,309,676

MEMBERSHIP:
 Active: 73 Inactive: 65

BENEFITS:
Normal Retirement Formula:
 65% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service in excess of 25
 Maximum: 70% of compensation

Normal Retirement Benefits:
 Age 55 or 25 years of service

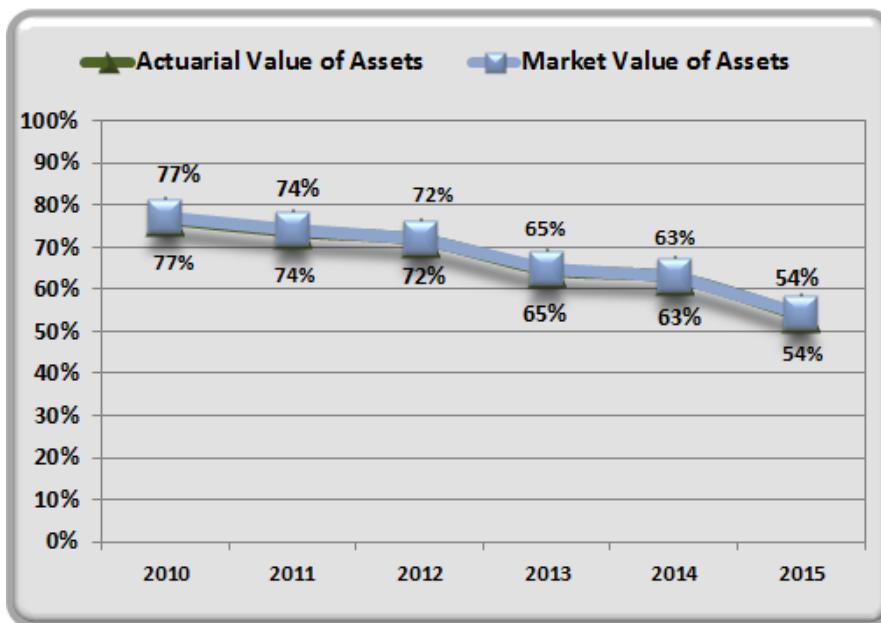
Social Security Coverage: No

COLA: Ad Hoc COLA
No COLA if Funded Ratio below 50%

ACTUARIAL ASSUMPTIONS:
 Interest: 7.5% Salary: 4%

JENNINGS POLICE & FIRE RETIREMENT FUND

- ↳ Rate of return on investments equaled 7.59% (Market) vs. 6% assumed.
- ↳ Investment gains/losses are not smoothed.
- ↳ Closed 15 year period for amortization of unfunded liabilities.
- ↳ Plan was closed in 1987 with new hires joining LAGERS. All members are now retired.
- ↳ Second time being included on JCPER watch list. Funded ratio has been decreasing since 1996 (94.29% in 1996 —> 54.15% in 2015)
- ↳ Officials with this plan expressed interest in LAGERS administration proposal of 2014. This bill was TAFP'd under SB 675 but was vetoed by the Governor.
- ↳ The Police Department was disbanded in 2011 with the St. Louis County Police Department being contracted for public safety purposes.
- ↳ Voters approved the dissolving of the Fire Department in August 2014 with the city merging with Riverview FPD for fire services.
- ↳ The City has met the ARC two years (2010 & 2011) since 1999. The contribution is tied to a tax levy. The actuary commented that *“assuming stable tax revenues the contributions are not adequate to meet this funding timeline.”* The board of trustees is seeking a tax increase to fund the plan.



As of 04/01/15

Market Value: \$4,833,547
Actuarial Value: \$4,833,547
AAL: \$8,925,399

MEMBERSHIP:
Active: 0 **Inactive:** 44

BENEFITS:
Normal Retirement Formula:
2.25% of compensation times years of service
Maximum: 50% of compensation

Normal Retirement Benefits:
Age 55 with 20 years of service
Age 65 with 15 years of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 6% **Salary:** 3%

Plan Closed in 1987 with New Hires joining LAGERS.

| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$345,068 | \$194,976 | 57% |
| 13/14 | \$315,629 | \$195,337 | 62% |
| 12/13 | \$244,685 | \$203,049 | 83% |
| 11/12 | \$209,394 | \$203,184 | 97% |
| 10/11 | \$201,076 | \$210,405 | 105% |
| 09/10 | \$216,908 | \$218,467 | 101% |

Board of Trustees
Police and Firemen's Retirement Fund
City of Jennings, Missouri

2120 HORD AVENUE
JENNINGS, MISSOURI 63136
388-1164

November 5, 2015

RECEIVED
NOV 13 2015
BY:

To: Janell Bernskoetter
of JCPER

From: City of Jennings Police & Firemen's Retirement Fund

Re: Audit and Actuary Reports for 2014 and 2015

Please note:

Since our reports were completed, 3 of our Pensioners have passed away. Total reduction of \$1,990.51 per month. All members of this Retirement Plan are now retired. It is no longer an active plan. 41 pensioners draw monthly payments.

In June of 2013, we expanded our investment parameters to include a portion of equity funds. Our brokers expect this change to increase our fund total in the long term.

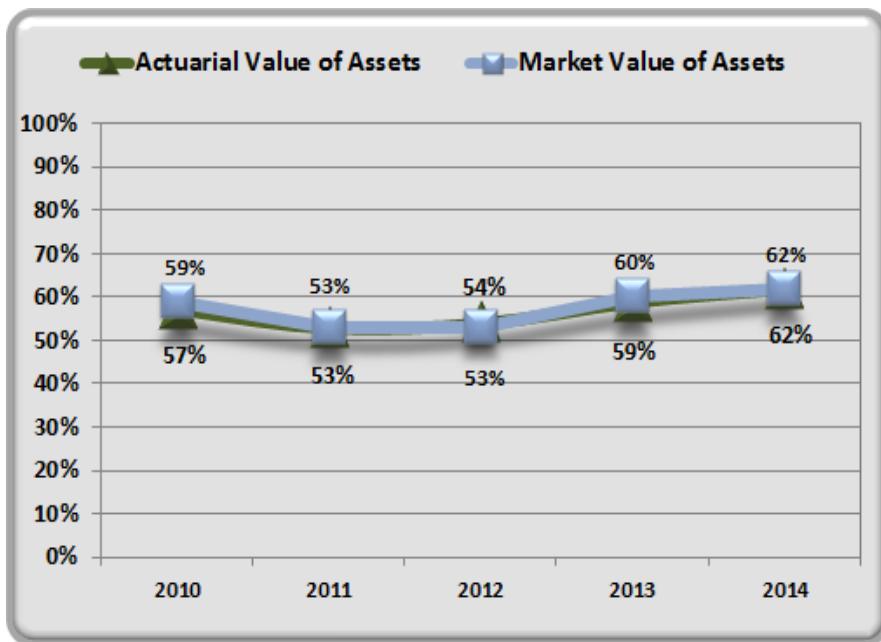
Our Board of Trustees has approved a modest tax increase for our pension fund to meet our unfunded liability. This is a request for an increase of taxes that will remain until liability total is met. We will be asking our Council to approve this tax measure and hope to have it on the ballot in April, 2016.

Beverly Roche, City of Jennings, Board Trustee 314-388-1164



JOPLIN POLICE & FIRE PENSION PLAN

- ↳ Rate of return on investments equaled 6.2% (Market) & 7.3% (Actuarial) vs. 7% assumed.
- ↳ Investment gains/losses are smoothed over a 5 year period.
- ↳ Closed 30 year period as of 11/01/06 for amortization of unfunded liabilities.
- ↳ Modified plan assumptions in 2011 included, but not limited to, mortality, inflation rate and retirement rates resulted in approximately \$5 million increase in plan liabilities. These modifications were based on the most recent experience study.
- ↳ A new tier was implemented for those hired after 1/31/09 with provisions including normal retirement service of 25 years (from 20) and maximum benefit of 60% of compensation (from 65%).
- ↳ Employees contribute 18.08% of pay, which is refunded at retirement. Those hired under new benefit tier contribute 10% of pay without refund.
- ↳ The City prefunded \$1 million in addition to the ARC in fiscal year 2013.
- ↳ *This plan was included on the State Auditor's "watch list" in 2014.*



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$2,721,986 | n/a | - |
| 13/14 | \$2,737,752 | \$2,919,862 | 107% |
| 12/13 | \$2,580,017 | \$3,718,194 | 144% |
| 11/12 | \$2,214,118 | \$2,473,301 | 112% |
| 10/11 | \$2,214,118 | \$2,653,556 | 120% |
| 09/10 | \$2,206,690 | \$1,797,683 | 81% |

As of 10/31/14

Market Value: \$36,202,536
Actuarial Value: \$35,897,429
AAL: \$58,001,117

MEMBERSHIP:
Active: 195 **Inactive:** 156

BENEFITS:
Normal Retirement Formula:
 Hired after 1/31/09: 2.2% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service
 Maximum: 60% of compensation

Normal Retirement Benefits:
 Age 60 or 25 years of service

Social Security Coverage: No

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7% **Salary:** 2.5%

Michael Ruff

From: Haase, Leslie <LHaase@joplinmo.org>
Sent: Saturday, November 7, 2015 1:57 PM
To: Michael Ruff; Allgood, Dave
Subject: RE: JCPER Plan Information

Michael:

Thank you for the opportunity to review this information. There are no changes needed in the attached information.

Please let me know if you need anything else.

Leslie

From: Michael Ruff [<mailto:mruff@senate.mo.gov>]
Sent: Wednesday, November 04, 2015 3:54 PM
To: Haase, Leslie; Allgood, Dave
Subject: JCPER Plan Information

Dear Ms. Haase and Mr. Allgood:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Joplin Police & Fire Pension Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

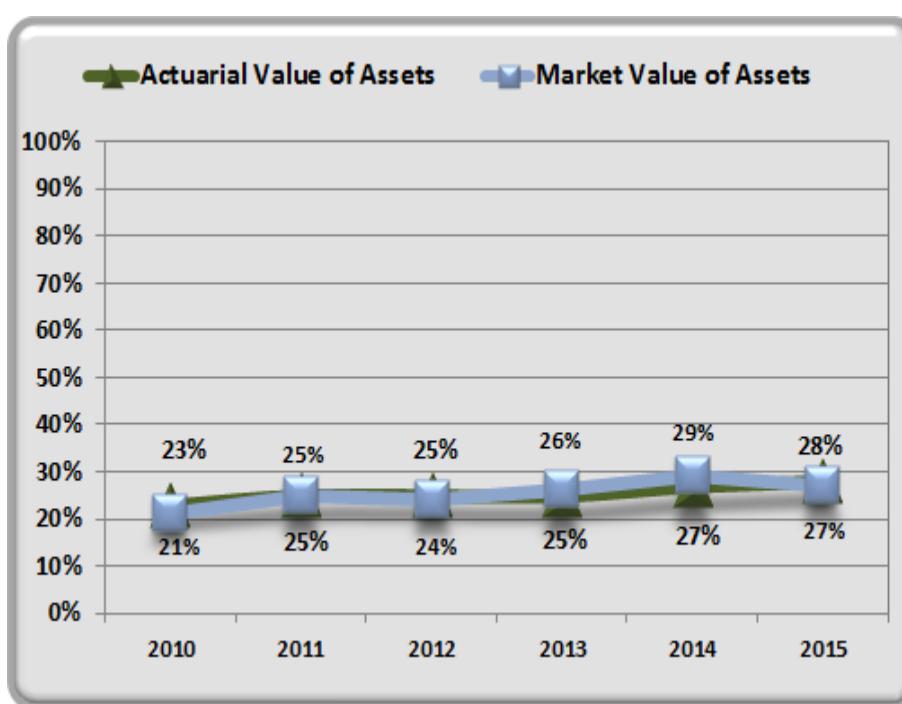
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff
Executive Director
Joint Committee on Public Employee Retirement
State Capitol, Room 219-A
Jefferson City, MO 65101
573-751-1280
mruff@senate.mo.gov

JUDICIAL RETIREMENT PLAN

- ↳ Rate of return on investments equaled -2.70% (Market) and 6.60% (Actuarial) vs. 8.0% assumed.
- ↳ In plan year 2015, utilized a 29 year amortization period (of a closed 30 year) for unfunded liabilities.
- ↳ Asset method modified to recognize the expected investment return and averages unanticipated market return over a 3 year period.
- ↳ New tier provisions were passed in 2010 requiring increased age and service requirements, as well as employee contributions for judges serving for the first time on or after 01/01/11.
- ↳ Board of Trustees voted to certify an annual contribution rate minimum of 58.45% of payroll until the plan's funded ratio is at least 80%.
- ↳ Prior to 1998, the plan was funded on a pay-as-you-go basis.
- ↳ Judges serving for the first time on or after 1/1/11 contribute 4% of pay.
- ↳ The employer continues to meet the ARC.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$32,696,686 | \$32,696,686 | 100% |
| 13/14 | \$29,264,877 | \$29,264,877 | 100% |
| 12/13 | \$28,330,648 | \$28,330,648 | 100% |
| 11/12 | \$26,324,526 | \$26,324,526 | 100% |
| 10/11 | \$27,702,682 | \$27,702,682 | 100% |
| 09/10 | \$27,029,198 | \$27,029,198 | 100% |

As of 6/30/15

Market Value: \$130,851,263
 Actuarial Value: \$134,349,908
 AAL: \$482,969,311

MEMBERSHIP:
 Active: 405 Inactive: 569

BENEFITS:
Normal Retirement Formula:
 50% of compensation;
 Less than service requirement:
 Pro-rated benefit based on service

Normal Retirement Benefits:
 Age 62 with 12 years of service;
 Age 60 with 15 years of service;
 Age 55 with 20 years of service

Serving for first time on or after 01/01/11:
 Age 67 with 12 years of service, or
 Age 62 with 20 years of service

Social Security Coverage: Yes

COLA: Annual Amount Max: 5%
 Percent of CPI: 80%

Actuarial Assumptions:
 Interest: 8% Salary: 3%

Janell Bernskoetter

From: Ronda Stegmann <rondas@mosers.org>
Sent: Thursday, November 12, 2015 4:52 PM
To: Michael Ruff; Janell Bernskoetter
Cc: Gary Findlay; John Watson
Subject: 2015 JCPER Watch List
Attachments: Judicial Retirement Plan Funded Status.pdf

Michael – Thank you for the opportunity to respond to the inclusion of the Judicial Retirement Plan on the annual “Watch List” of the Joint Committee on Public Employee Retirement (JCPER). As you are aware, the Judicial Retirement Plan was operated on a pay-as-you-go basis prior to 1998 when the law was changed to require that the plan be funded on an actuarial basis. As the attached portrays, the progression of the funded status of the Plan beginning in 1998 was 0% and has grown to the 2015 funded ratio of 27.8%.

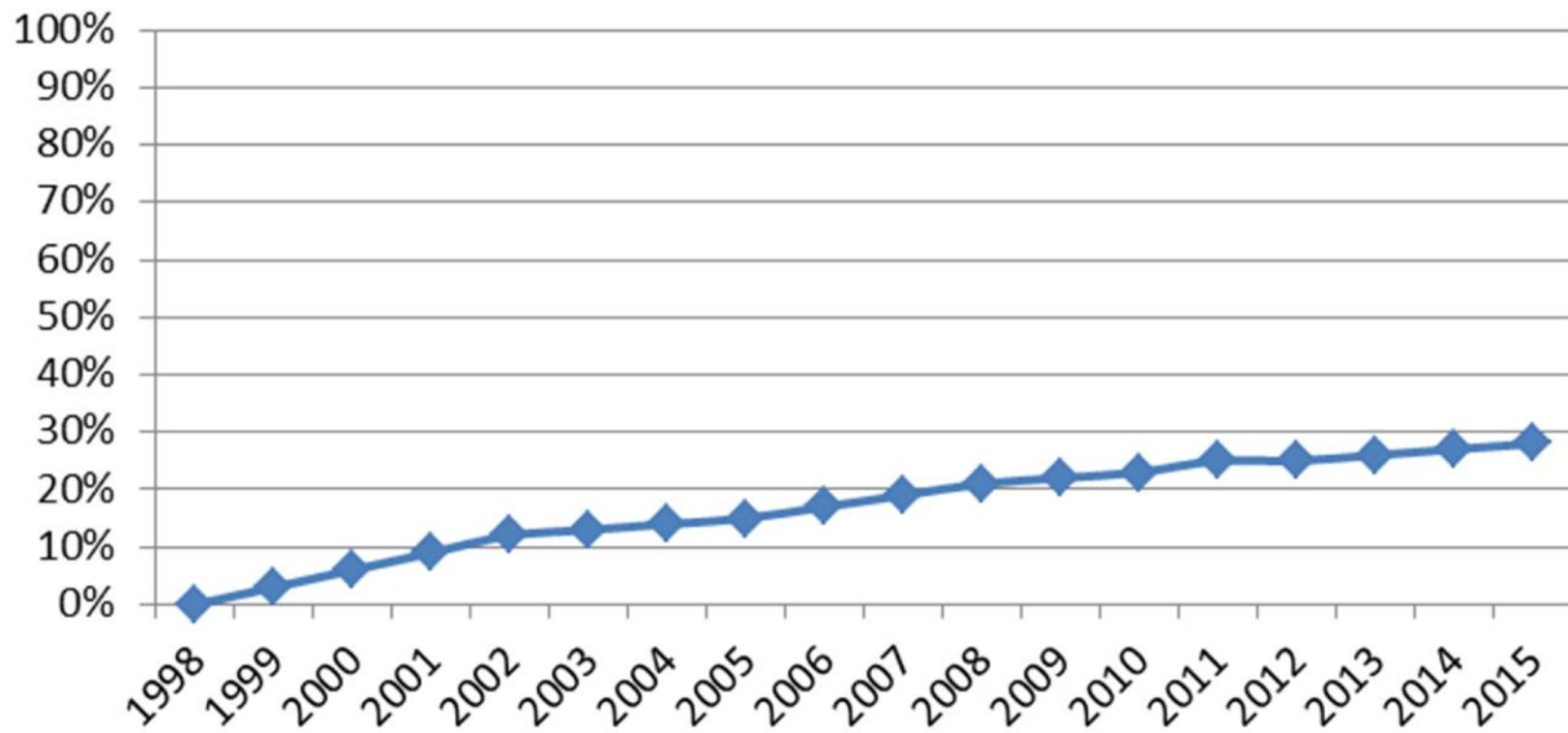
We hope this information is helpful to the JCPER as it conducts its proceedings. If you have any questions or we can provide additional information, please do not hesitate to contact our office.

Sincerely,
Ronda

Ronda Stegmann
Legislative & Policy Coordinator
MOSERS
573-632-6113
www.mosers.org

CONFIDENTIAL TRANSMISSION: This electronic communication is from the Missouri State Employees' Retirement System (MOSERS). This e-mail and any files transmitted with it are private and confidential and are solely for the use of the intended recipient. This message may contain material which is privileged or is otherwise protected by law. If you are not the intended recipient or the person responsible for delivering it to the addressee, you are requested to immediately delete the message and notify the sender or contact MOSERS by calling (573) 632-6100. Please be advised that if you have received this e-mail in error, any use, retention, disclosure, transmission, or copying of it is strictly prohibited.

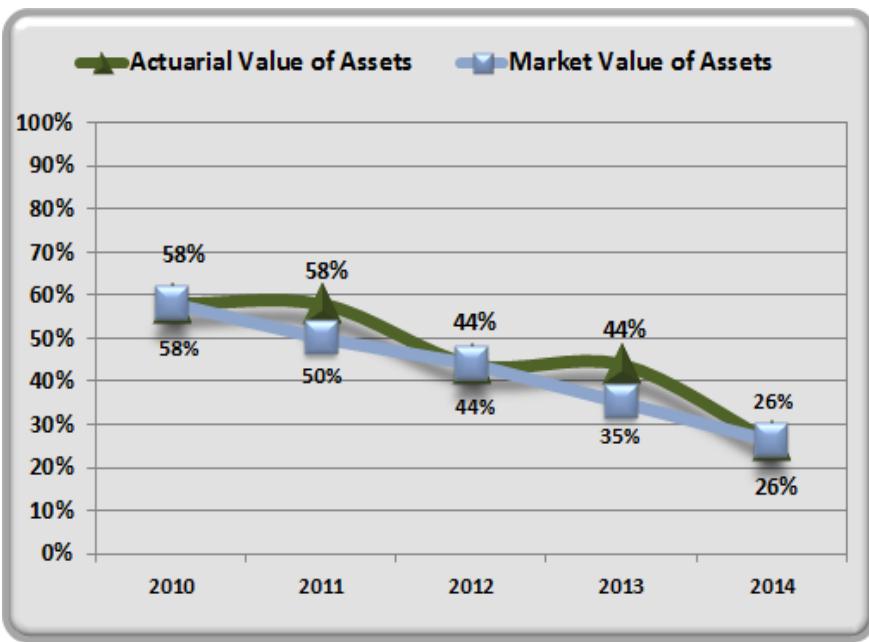
Judicial Retirement Plan Funded Status Since the Inception of the Funding Program



As was noted in the JCPER report, the plan was funded on a pay-as-you-go basis (from 1951) until 1998 with no accumulation of assets. Steady funding progress has been made since the actuarial funding program was initiated.

MEHLVILLE FIRE PROTECTION DISTRICT DEFINED BENEFIT PLAN

- Rate of return on investments equaled 0.04% (Market) vs. 5% assumed.
- Plan does not smooth investment gains/losses.
- Plan was closed in 2006 and a defined contribution plan was established for District employees.
- According to the actuarial valuation, the IRS, **in a Determination letter dated June 11, 2010** approved the Plan's termination. The Plan's assets and liabilities have yet to be fully settled as part of that termination.
- Unfunded Actuarial Accrued Liabilities are amortized over a closed 20 year period beginning in 2011.
- Interest rate assumption decreased from 7.5% to 5.0% in 2010.
- The employer has not made a contribution to the plan since 2006.
- The reported value of assets in the actuarial valuation does not completely reflect the condition of the plan. The FPD maintains additional cash reserves dedicated to the plan in another account. (approximately \$4 million)



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------------|---------------------------------|----------------------------|----------------------------|
| 2015 | \$708,782 | n/a | - |
| 2014 | \$575,245 | \$0 | 0% |
| 2013 | \$575,245 | \$0 | 0% |
| 2012 | \$426,969 | \$0 | 0% |
| 2011 | \$426,969 | \$0 | 0% |
| 2010 | \$35,435 | \$0 | 0% |

As of 1/1/15

Market Value: \$2,804,950
Actuarial Value: \$2,804,950
AAL: \$10,870,646

MEMBERSHIP:

Active: 0 **Inactive: 28**

BENEFITS:

Normal Retirement Formula:

2.625% of compensation for each of the first 27 years of service, plus 1% for each additional year

Maximum: 75% of compensation

Temporary Supplemental Benefit: \$500 per month from age 58 until Social Security eligibility

Normal Retirement Benefits:

Age 58 with 5 years of service

Social Security Coverage: Yes

COLA: 'CAP'-Total Maximum: 3%

ACTUARIAL ASSUMPTIONS:

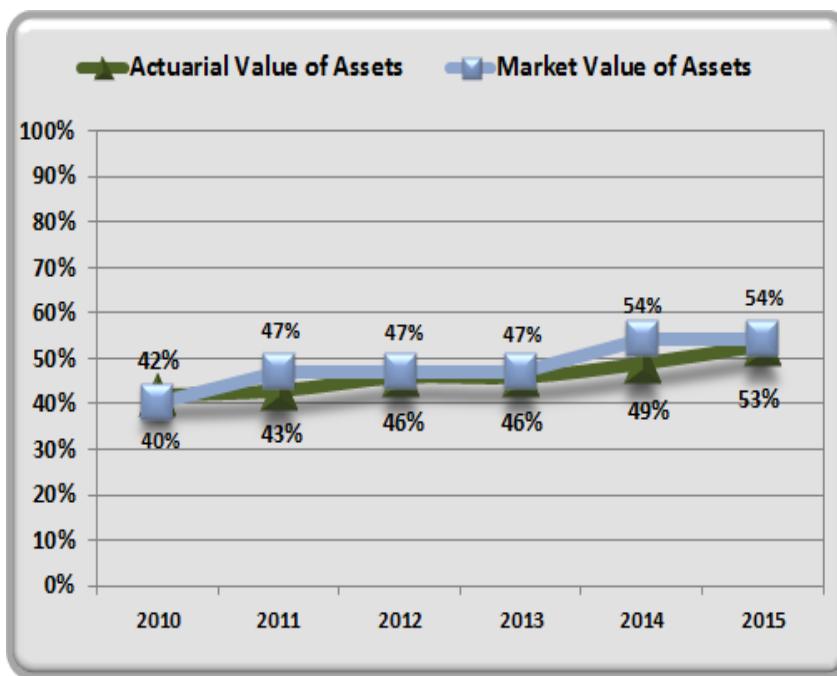
Interest: 5.0%

Defined Contribution Plan

Defined Ben
3/31/06

MoDOT & PATROL EMPLOYEES RETIREMENT SYSTEM

- Rate of return on investments equaled 5.89% (Market) and 11.97% (Actuarial) vs. 7.75% assumed.
- Investment gains/losses are smoothed over a 3 year period.
- Assumed investment return reduced from 8.25% to 7.75%.
- New tier provisions were passed in 2010 requiring increased age and service requirement, increased vesting period and employee contributions for employees hired for the first time on or after 01/01/11. As of 06/30/15, 1,508 members were covered under the 2011 tier.
- Employees hired for the first time on or after 1/1/11 contribute 4% of pay.
- Closed 10 year period amortization of unfunded retiree liabilities and closed 25 year period amortization for the remaining unfunded liabilities.
- Board voted to certify the FY15/16 contribution at the same level as FY 14/15 which exceeds the actuary's ARC to allow for a "rate stabilization reserve fund". This fund is designed to keep the employer contribution rate at or close to its current level.
- The Employer continues to meet the ARC.
- This plan was included on the State Auditor's "watch list" in 2014.*



As of 6/30/15

Market Value: \$2,009,367,134
Actuarial Value: \$1,967,001,509
AAL: \$3,715,845,651

MEMBERSHIP:
Active: 7,358 **Inactive:** 10,876

BENEFITS:
Normal Retirement Formula:
 MSEP 2000: 1.7% of compensation times years of service, plus .8% to Age 62 (under Rule of 80 or Rule of 90)

Normal Retirement Benefits:
 Age 62 with 5 years service, or Rule of 80 (Age 48)

Uniformed Patrol: Mandatory retirement at Age 60
 Hired for first time on or after 01/01/11: Age 67 w/ 10 years service, or Rule of 90 (Age 55)
 Uniformed Patrol: Age 55 with 10 years service

Social Security Coverage: Yes

COLA: Annual Amount Maximum: 5%
 Percent of CPI: 80%

ACTUARIAL ASSUMPTIONS:

Interest: 7.75% **Salary:** 3.50%

| | RECOMMENDED CONTRIBUTION | ACTUAL CONTRIBUTION | PERCENT CONTRIBUTED |
|--------------|---------------------------------|----------------------------|----------------------------|
| 15/16 | \$206,268,699 (estimated) | n/a | - |
| 14/15 | \$200,485,540 | \$200,638,571 | 100% |
| 13/14 | \$183,358,841 | \$183,358,841 | 100% |
| 12/13 | \$170,836,117 | \$170,836,117 | 100% |
| 11/12 | \$164,884,467 | \$164,884,467 | 100% |

Michael Ruff

From: Scott Simon <Scott.Simon@mpers.org>
Sent: Friday, November 6, 2015 11:06 AM
To: Michael Ruff
Subject: RE: JCPER Plan Information

Michael, Thanks for sharing. You may always report the actuarial rate of returns (noted under the first bullet) so that may be fine but I would consider that information confusing to most readers. The most often used and recognized rate of return is our actual rate of return not the actuarial rates. Whatever you provide, it should be consistent from one system to the next.

The last line of the fourth bullet can be updated—As of June 30, 2015, 1,508 members were covered under the 2011 tier.

I would add the following to the end of your seventh bullet....."and protect the employers from even higher contribution rates should losses be experienced in the near future."

The table in the lower right hand corner shows "Inactive" under Membership. That title threw me. I would suggest you call it "retirees" or "benefit recipients" which is what I think the number represents. "Inactive" in my opinion usually represents terminated vested and/or terminated non-vested former members.

Happy to discuss if you need clarification.

Scott

From: Michael Ruff [mailto:mruff@senate.mo.gov]
Sent: Wednesday, November 04, 2015 3:58 PM
To: Scott Simon
Subject: JCPER Plan Information

Dear Scott:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to MPERS that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

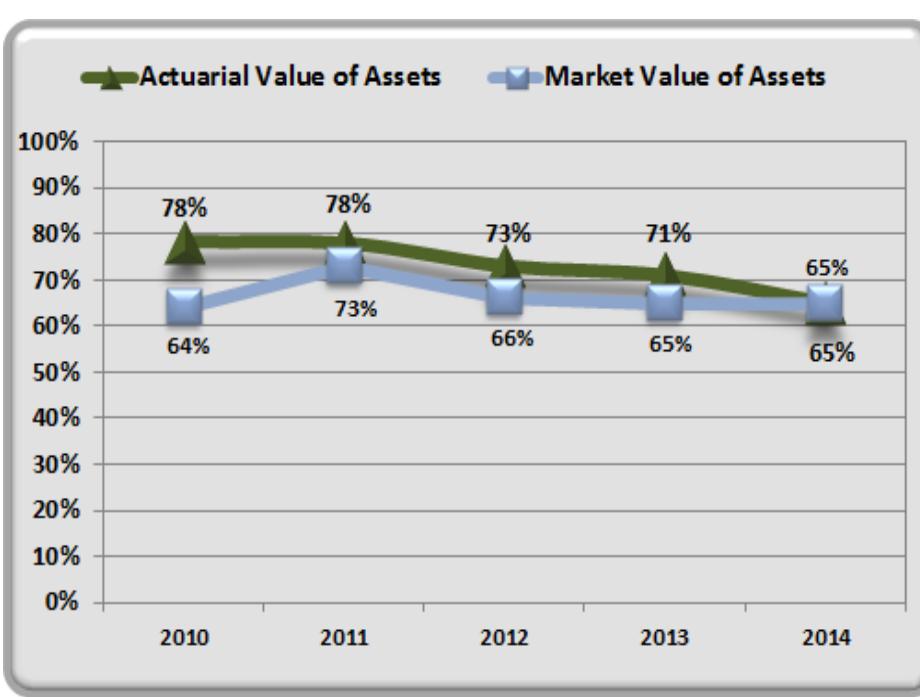
Sincerely,

Michael Ruff
Executive Director
Joint Committee on Public Employee Retirement
State Capitol, Room 219-A
Jefferson City, MO 65101
573-751-1280
mruff@senate.mo.gov

CONFIDENTIAL TRANSMISSION: This electronic communication is from the MoDOT and Highway Patrol Employees' Retirement System (MPERS). This e-mail and any files transmitted with it are private and confidential and are solely for the use of the intended recipient. This message may contain material which is privileged or is otherwise protected by law. If you are not the intended recipient or the person responsible for delivering it to the addressee, you are requested to immediately delete the message and notify the sender or contact MPERS by calling (573) 298-6080. Please be advised that if you have received this e-mail in error, any use, retention, disclosure, transmission, or copying of it is strictly prohibited.

OVERLAND POLICE RETIREMENT FUND

- ↳ Rate of return on investments equaled 10.4% (Market) and .8% (Actuarial) vs. 7% assumed.
- ↳ Gains/losses are smoothed over a 5 year period.
- ↳ The Aggregate Cost Method is utilized by the plan which does not yield an actuarial accrued liability.
- ↳ Employer contribution is supported by a tax levy of \$0.12 per \$100 of assessed valuation.
- ↳ The actuary notes "*The rate [property tax] is currently 12 cents which is less than one-third of the recommended rate. Although the Plan has no immediate solvency issues, this contribution shortfall issue should be addressed as soon as possible. Potential approaches might include: i) securing a higher rate from the County, ii) developing an additional source of funding and/or iii) adjusting the benefit provisions to a level consistent with what the current tax rate will support.*"
- ↳ Employees contribute 5% of pay to the Plan.
- ↳ The City has not met the ARC since 2008.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|------|---------------------------------|----------------------------|----------------------------|
| 2014 | \$863,157 | \$240,878 | 30% |
| 2013 | \$801,961 | \$268,988 | 34% |
| 2012 | \$693,886 | \$271,164 | 39% |
| 2011 | \$672,820 | \$283,848 | 42% |
| 2010 | \$569,492 | \$261,969 | 46% |

As of 04/01/14

Market Value: \$13,231,192
 Actuarial Value: \$13,288,067
 AAL: \$20,450,360

MEMBERSHIP:
 Active: 47 Inactive: 37

BENEFITS:
Normal Retirement Formula:
 2.5% of compensation for first 20 years of service, plus 1.5% for each of the next 10 years of service

Normal Retirement Benefits:
 20 years of service, or
 Age 62 w/ 18 years of service, or
 SSA full retirement age w/ 5 years of service

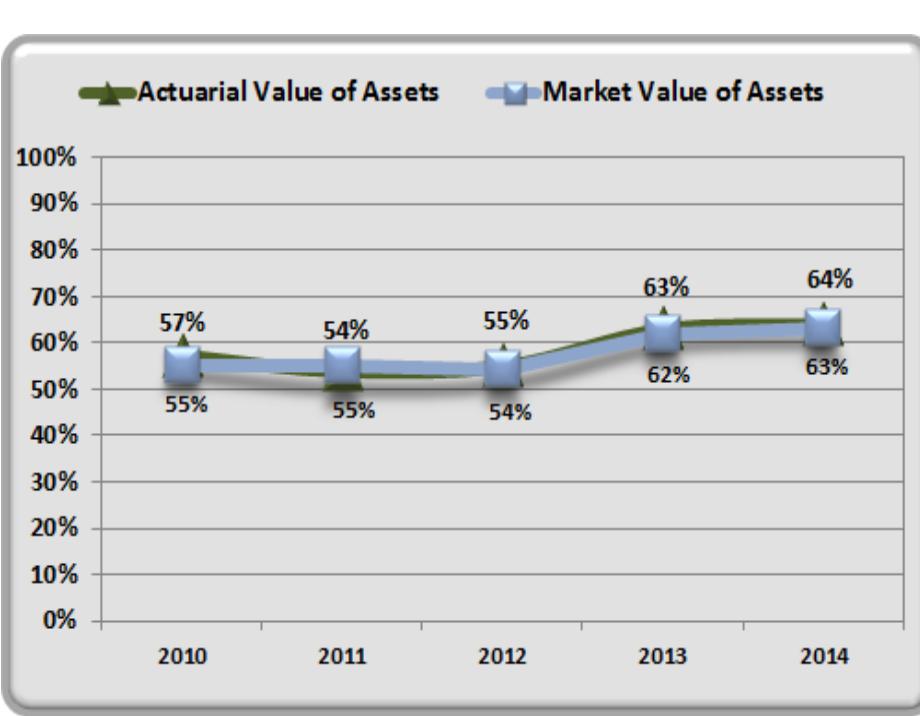
Social Security Coverage: Yes

COLA: Annual Max: 3%
 Percent of CPI: 60%

ACTUARIAL ASSUMPTIONS:
 Interest: 7% Salary: 3.5%

RAYTOWN POLICE OFFICERS' RETIREMENT FUND

- Plan experience was less favorable than expected as asset losses more than offset liability gains.
- Plan does not smooth investment gains/losses.
- Plan utilizes a closed 30 year period amortization of unfunded actuarial accrued liabilities.
- An employee contribution of 3% of pay was ceased in 2000 when the Plan was 101% funded.
- The actuary notes *"The Plan has been making progress toward a safe funding level. The City policy to contribute the recommended contribution will allow the funded status to slowly improve."*
- The City met or exceeded the ARC for plan years 2011, 2012, and 2013.
- **The Plan was frozen as of December 31, 2013 with members moving to LAGERS.**



As of 12/31/14 and 10/31/14

Market Value: \$10,546,501
 Actuarial Value: \$10,570,089
 AAL: \$16,631,778

MEMBERSHIP:
 Active: 47 Inactive: 40

BENEFITS:
Normal Retirement Formula:
 2.5% of compensation for first 20 years of service, plus 1% for each of the next 10 years of service—Benefits are frozen as of 12/31/13.

Normal Retirement Benefits:
 Age 55 with 20 years of service

Social Security Coverage: Yes

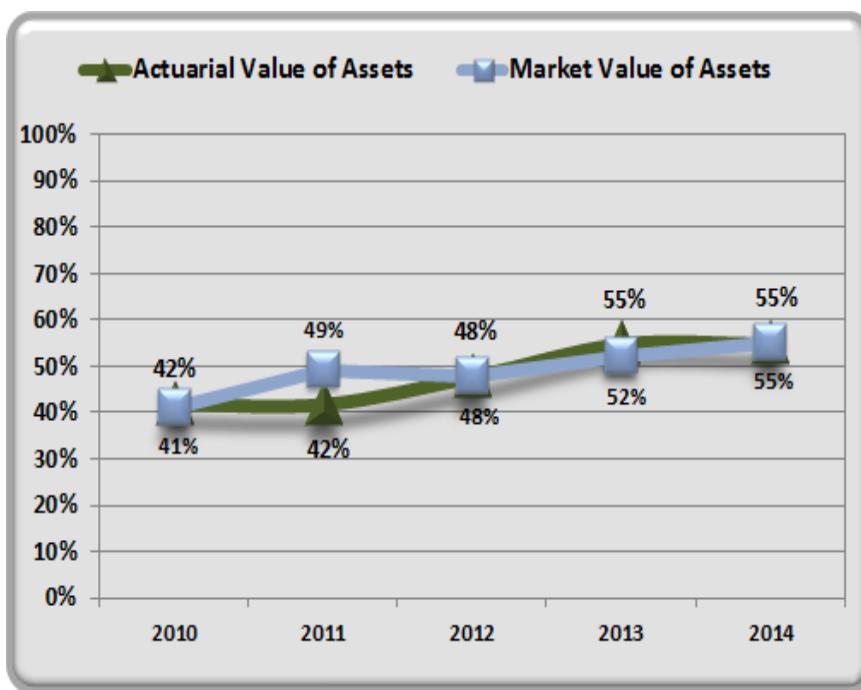
COLA: No COLA

ACTUARIAL ASSUMPTIONS:
 Interest: 7.5% Salary: 4%

| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|------|---------------------------------|----------------------------|----------------------------|
| 2015 | \$513,291 | n/a | - |
| 2014 | \$508,285 | \$531,116 | 104% |
| 2013 | \$660,842 | \$660,842 | 100% |
| 2012 | \$678,787 | \$686,270 | 101% |
| 2011 | \$616,618 | \$637,728 | 105% |

ROCK HILL UNIFORMED PENSION PLAN

- This plan was closed to new employees effective May 2003.
- All active participants as well as new hires are members of LAGERS as of 09/2007.
- After multiple years of the employer not making a contribution to this plan, contributions have resumed to this plan. However, contributions continue to not meet the ARC.
- Employees do not make a payroll contribution to this plan.
- Plan does not smooth investment gains/losses.
- The employer has not met the ARC since 2007.



As of 3/31/15 & 5/1/14

Market Value: \$2,011,439
Actuarial Value : \$2,004,533
AAL: \$3,642,395

MEMBERSHIP:
Active: 8 **Inactive:** 20

BENEFITS:
Normal Retirement Formula:
40% or 50% of compensation, reduced by 1/20 for each year less than 20, plus temporary benefit. Percentage based on age and years of service as of 4/30/03.

Normal Retirement Benefits:
Age 60 with 5 years of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 6.0% **Salary:** 0%

Closed Plan effective October 2003

| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|--------------|---------------------------------|----------------------------|----------------------------|
| 14/15 | \$199,227 | \$150,000 | 75% |
| 13/14 | \$199,227 | \$125,000 | 63% |
| 12/13 | \$251,551 | \$210,325 | 84% |
| 11/12 | \$251,551 | \$210,325 | 84% |
| 10/11 | \$293,522 | \$213,226 | 73% |

Michael Ruff

From: Sandra Stephens <Stephesf@kirkwoodmo.org>
Sent: Wednesday, November 4, 2015 4:22 PM
To: Michael Ruff; jyackley@rockhillmo.net
Subject: RE: JCPER Plan Information

Mr. Ruff,

The contribution for 14/15 of \$150,000 was made on 3/25/2015. There was a timing difference before PNC posted the contribution. I understand if this report is on the cash basis, but I think this fact should at least be noted on the report. Thank you.

Sandy

Sandra Stephens, CPFO
Assistant Director of Finance, City of Kirkwood
Treasurer, City of Rock Hill
139 S Kirkwood Road
Kirkwood, MO 63122
314 822-5834
stephesf@kirkwoodmo.org

From: Michael Ruff [mailto:mruff@senate.mo.gov]
Sent: Wednesday, November 04, 2015 4:15 PM
To: jyackley@rockhillmo.net; Sandra Stephens
Subject: JCPER Plan Information

Dear Ms. Yackley and Ms. Stephens:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Rock Hill Uniformed Pension Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

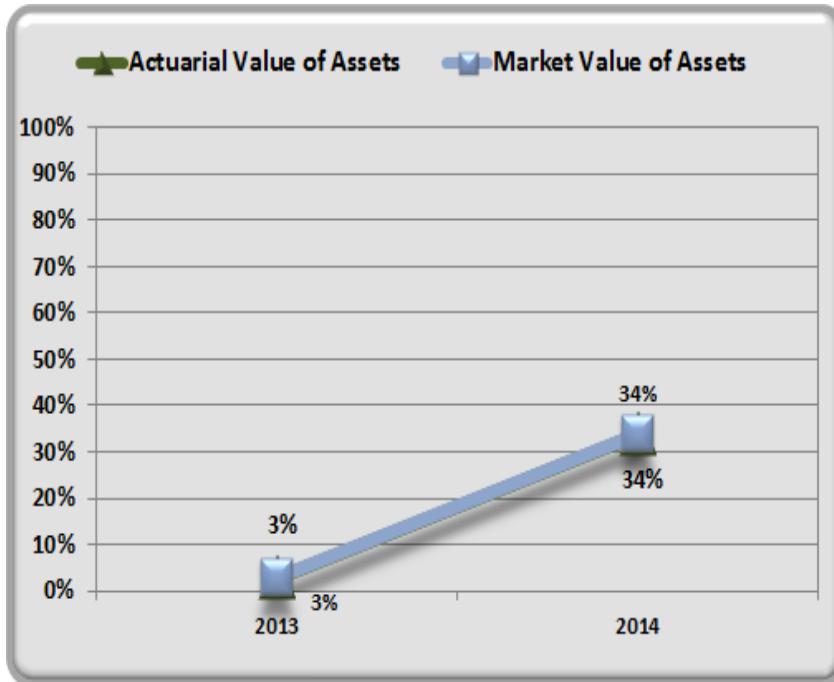
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff
Executive Director
Joint Committee on Public Employee Retirement
State Capitol, Room 219-A

ST. LOUIS CITY FIREFIGHTERS' RETIREMENT PLAN

- Rate of return on investments equaled -2.64% (Market) and 1.34% (Actuarial) vs. 7.625% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Effective February 1, 2013, benefit accruals under the Firemen's Retirement System of St. Louis were frozen. This plan (The Firefighters' Retirement Plan of the City of St. Louis) was established to provide benefits for service rendered after that date.
- Plan adopted a 30 year closed amortization period effective in 2013 for unfunded liabilities.



As of 10/01/14

Market Value: \$19,859,333
Actuarial Value: \$20,154,746
AAL: \$58,535,952

MEMBERSHIP:

Active: 626 Inactive: 48

BENEFITS:

Normal Retirement Formula: (new members since 02/01/13)

2% of compensation for the first 25 yrs of service plus 2.5% (5% for grandfathered participants) in excess of 25 years of service

Maximum: 75% of compensation

Normal Retirement Eligibility:

Age 55 with 20 years of service

Social Security Coverage:

COLA: Annual Amount Minimum: 1.5%
Annual Amount Maximum: 5%
"CAP"-Total Max: 25%

ACTUARIAL ASSUMPTIONS:

Interest: 7.625% Salary: 3%

Deferred Retirement Option Plan (DROP)-only available to members on 02/01/13

Michael Ruff

From: Fairless, Janice <fairlessj@stlouis-mo.gov>
Sent: Friday, November 6, 2015 1:35 PM
To: Michael Ruff
Cc: frankr@stlouis-mo.gov
Subject: Re: JCPER Plan Information

Dear Mr. Ruff,

Thank you for the opportunity to review the slide.

We have noted some concerns below.....

There is an error in the first bullet point. The ROR on Investments equaled " **-2.64% (Market)**" and is shown as a positive # not negative.

On the chart on the bottom left....the City did pay the Actual Contribution in September of 2015 prior to the end of the fiscal year in full...so we did receive the full \$7,435,635 100% contribution

Some comments on the chart on the Bottom right:

Normal Retirement Formula shown is for new members since 2/1/2013

Retirement Formula for Members on 2/1/2013 is based on:

2% for each year 1-25

5% for each year over 25-30

Max benefit 75%

Also...correct Total Max COLA: 25% (remove after 60)

Deferred Retirement Plan only available to members on 2/1/2013

I see no mention of:

Contributions:

8% after tax for members with min. 20 yrs on 2/1/2013 (refundable)

9% pretax for all others (non refundable)

or Early Retirement

Any age 20 yrs of service

No actuarial reduction if member with min 20 yrs on 2/1/2013

Actuarial reduction for all others

AFC (average final compensation)

5 years for members after 2/1/2013

3 years for members on 2/1/2013

Please call if you have any questions.

JF

Janice Fairless

HR Specialist II

Firefighters' Retirement Plan

e-mail: fairlessj@stlouis-mo.gov

phone: 314-622-3216

fax: 314-622-3228

On Wed, Nov 4, 2015 at 4:19 PM, Michael Ruff <mruff@senate.mo.gov> wrote:

Dear Mr. Frank and Mrs. Fairless:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Firefighters' Retirement Plan of St. Louis City that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

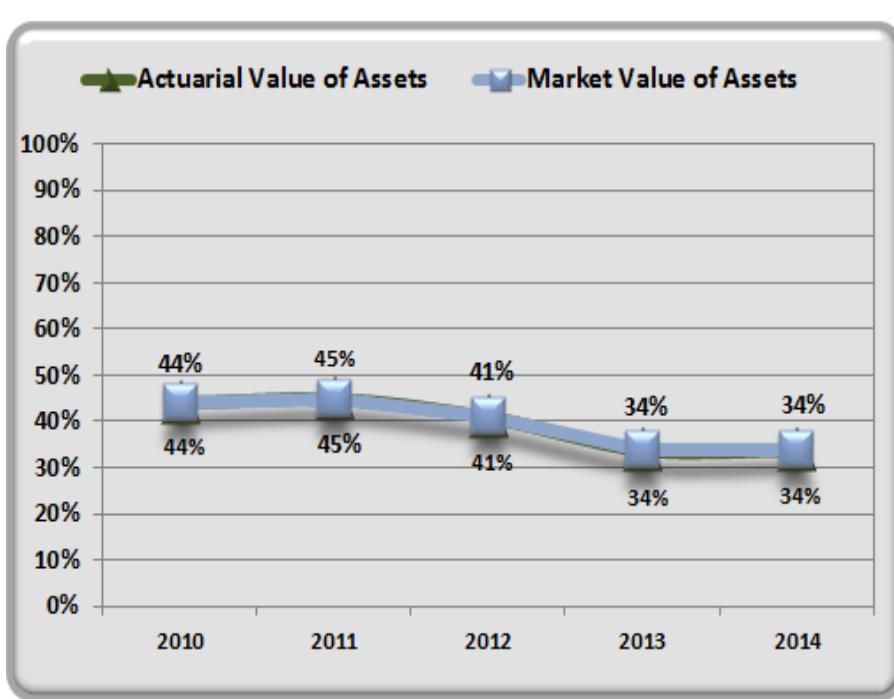
Michael Ruff

Executive Director

Joint Committee on Public Employee Retirement

SEDALIA POLICE RETIREMENT FUND

- Rate of return on investments equaled 1.91% (Market) vs. 6% assumed (investment assumption was reduced from 7.5% to 6.0% effective the 8/01/13 actuarial valuation).
- The reduced investment return assumption increased the accrued liability by \$1.3 million.
- Plan does not smooth investment gains/losses.
- Unfunded Actuarial Accrued Liabilities amortized over a 25 year period as of 2014.
- The actuary notes three investment assumption scenarios and a time estimate of when the plan will have liabilities that it will not be able to fund using available assets. These estimates include 25 years, 15 years, and 10 years.
- Plan was frozen as of April 1, 2010, with no additional benefit accruals.
- Existing and new employees moved to LAGERS.
- Effective 4/1/10, employee payroll contributions are not required.
- Employer contribution is tied to a \$0.0853 per \$100 assessed valuation tax levy.
- The employer contribution tied to tax levy proceeds is not meeting the ARC.



| | <u>RECOMMENDED CONTRIBUTION</u> | <u>ACTUAL CONTRIBUTION</u> | <u>PERCENT CONTRIBUTED</u> |
|-------------|---------------------------------|----------------------------|----------------------------|
| 2015 | \$456,345 | n/a | - |
| 2014 | \$459,678 | \$384,258 | 83% |
| 2013 | \$387,414 | \$235,179 | 61% |
| 2012 | \$364,705 | \$231,860 | 64% |
| 2011 | \$429,331 (estimate) | \$222,527 | 52% |

As of 7/31/14

Market Value: \$3,245,071
Actuarial Value: \$3,245,071
AAL: \$9,428,707

MEMBERSHIP:
Active: 33 **Inactive:** 41

BENEFITS:
Normal Retirement Formula:
2% of compensation times years of service
Maximum: 30 years

Normal Retirement Benefits:
Age 52 with 15 years of service

Social Security Coverage: Yes

COLA:
Annual Amount Maximum: 2%

ACTUARIAL ASSUMPTIONS:

Interest: 6.0%

Plan Frozen April 2010
Current & New Employees moved to LAGERS